

Social Report 2014

Summary



To be a driving force in the banking market, through our experience and ability to blend **tradition** with **innovation**.

To be recognised for our style of constantly seeking sound **ethics** in our business, **transparency** and **integrity**, **dialogue** and **respect**, in order to establish relationships of trust with all our stakeholders.

This is our **vision**.

To play an active part in the life of our local communities, helping to support progress and the development of a healthy social, economic and business community.

To manage our business where the goal is to **create value** for all our stakeholders and to meet the concrete needs of families, businesses and nonprofit organisations with the **excellence of our products and services**.

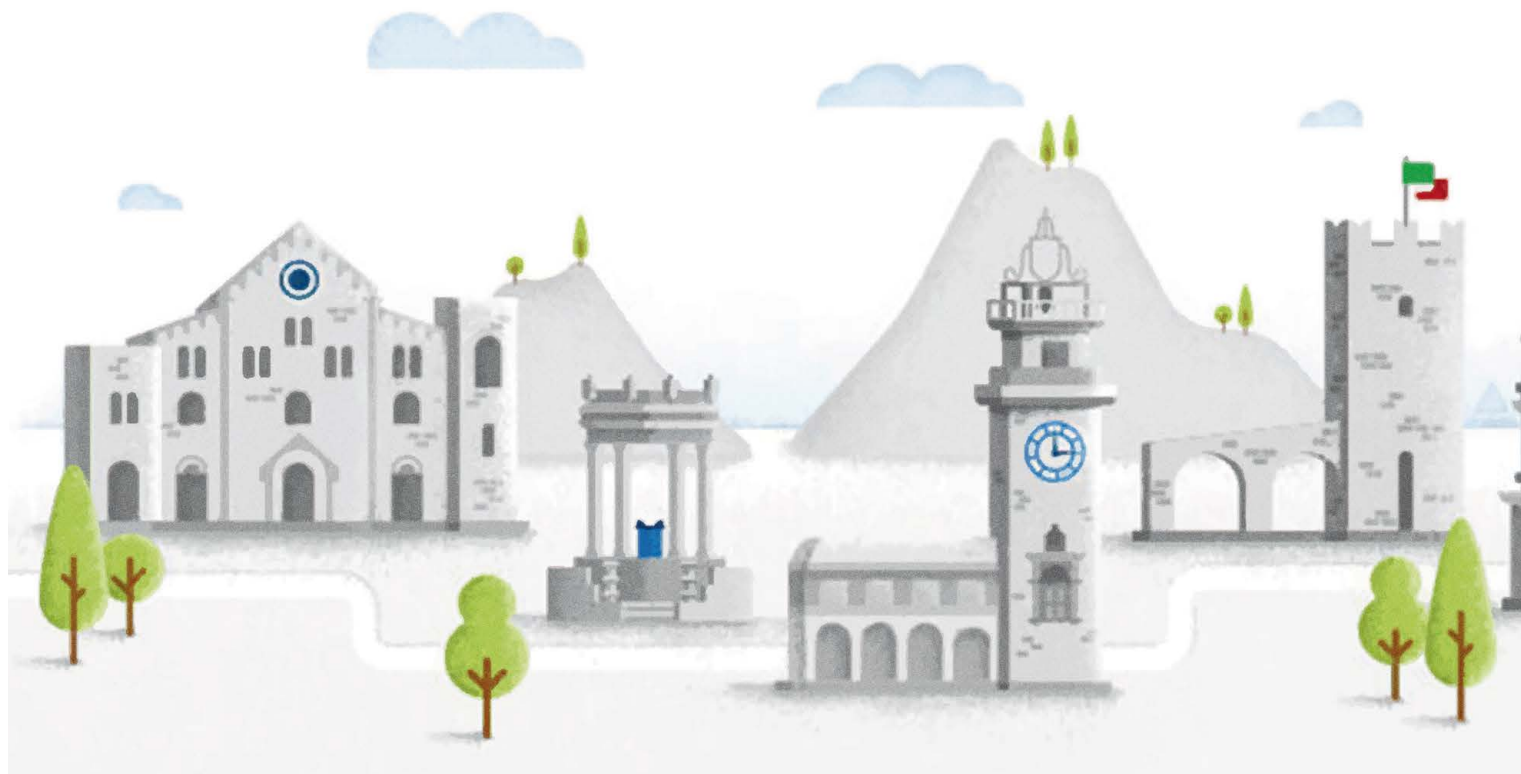
This is our **mission**.



Fare banca per bene*
That is our goal.

* To bank fairly and well.

A large Italian Group born in the community.



5th in Italy by number of branches

4th in terms of deposits and loans

3rd by stock market capitalisation

1st in the “popular” bank sector

The UBI Banca Group was born on 1st April 2007 from the merger of BPU Banca and Banca Lombarda e Piemontese. It is a union of **eight local banks** rich in history, with deep roots that date back to the virtuous experiences of the first banks in unified Italy - of the “popular” co-operative banks and the Casse di Risparmio (savings banks) in particular - and then even further back to the Monti di Pietà banks.

The Parent, UBI Banca, has maintained its form as a “**popular**” **co-operative bank** at the service of local economies, with a broad shareholder base of small investors who, with their savings, lend their support to a bank which is important to the community.

The values enshrined in the Group’s **Charter of Values** and its **Code of Ethics**, observance of which is guaranteed by an internal control system kept constantly up-to-date, were born from the history and traditions of our banks.

We have signed and we are committed in our activities to promoting and supporting **the universal principles of the UN Global Compact** on human rights, labour, the environment and against corruption.



Today UBI Banca is **one of the leading commercial banking groups in Italy**. Its credit ratings and CDS (credit default swaps) quotes are among the highest in the sector. The **high quality of its assets** and its **capital strength** rank it at the top of the industry in Italy and among the best banks in Europe with values higher than the minimum required by European regulations, even under adverse scenario simulations.

The Parent, UBI Banca, is a **listed company** on the Mercato Telematico Azionario (electronic stock exchange), one of the largest by stock market capitalisation (**FTSE MIB index**), and on the After Hours Market (TAH), both organised and operated by Borsa Italiana SpA. The UBI Banca share is also included in 83 of the main international share indices.

Over a thousand institutional investors invest stably in UBI Banca (42% of the share capital), many of which are foreign (33.8% of the share capital), with a still limited, but far from negligible presence, of CSR investors (investors who consider ethical, social, environmental and governance criteria in their evaluations). The UBI Banca share is included in the Italian and international ratings and ethical and sustainability indexes of Ethibel, FTSE, ECPI, AXIA, Standard Ethics and Sustainalytics.

1,676 branches

3.8 million customers

18 thousand employees

727 financial advisors and private bankers

10 thousand suppliers

152 thousand shareholders

75 thousand registered shareholders

€ 93.2 billion direct funding

€ 75.9 billion indirect funding

€ 85.6 billion loans

€ 9.8 billion equity

€ 6.6 billion stock market capitalisation

(Reference price: €7.285 on 31.3.2015)

UBI Banca is classified as an "outperformer" by **Sustainalytics'** sustainability rating and it has been included in the **FTSE4Good Global** and **FTSE4Good Europe** indexes since 2014.



FTSE4Good

Present when and where needed.



We invest constantly in **digital innovation** so that we are always at the service of our customers wherever they are, for greater ease, speed, convenience and security.

Our **branch network** is supplemented by direct channels available 24 hours a day: **QuiUBI** internet and mobile banking; **Customer Service** (telephone, SMS, email and chat); both conventional and evolved **Bancomat ATMs** (with credit transfer and paying in functions), half of which can also be used by partially and non-sighted persons.

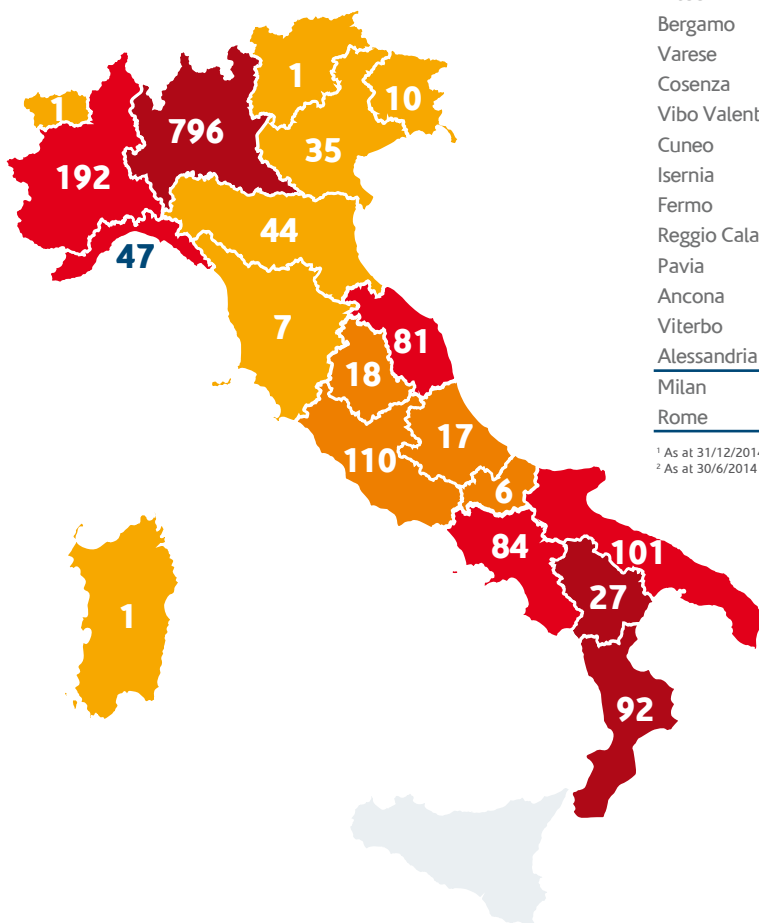
Having introduced digital signatures in branches, we have now introduced remote digital signatures for the easy and secure purchase of many online products on our **remote selling platform**.

In 2014 we renovated the Group commercial website - www.ubibanca.com - and we opened a UBI Banca Facebook page. In November we introduced **UBI Pay**, a new app which made us the first in Italy to provide a fast, easy-to-use and secure system for making payments and transferring cash freely, while fully on the move, with the use of a smartphone.

We have no operations in tax havens, or other financial centres that have not yet complied with international tax standards, as laid down by the OECD, and in countries classified as at risk of money-laundering terrorism by the lists of the International Financial Action Group and/or the Italian Ministry of the Economy and Finance.

Number and market share of branches in Italy¹

■ > 10/20% ■ > 5/10% ■ > 2/5% ■ < 2%



The main provinces by market share

	Branches ¹	Loans ²
Brescia	22.8%	37.7%
Bergamo	22.7%	36.7%
Varese	24.3%	21.0%
Cosenza	23.1%	19.3%
Vibo Valentia	24.3%	18.0%
Cuneo	22.7%	16.0%
Isernia	6.3%	16.2%
Fermo	10.7%	15.0%
Reggio Calabria	20.9%	12.0%
Pavia	15.0%	11.4%
Ancona	9.6%	11.4%
Viterbo	14.1%	11.3%
Alessandria	11.5%	11.1%
Milan	9.2%	3.8%
Rome	4.1%	2.9%

¹ As at 31/12/2014
² As at 30/6/2014

We are present in **all the regions of Italy**, except for Sicily, with **eight historical brands**, each covering their own geographical area: 1,670 branches and 132 private and corporate banking units constitute our geographical market coverage. The number of branches was reduced by 110 in January 2015, as part of a programme to rationalise Group structure, while the integration between UBI Banca Private Investment and IW Bank is planned during the course of the current year.

We are present in the world both directly and through commercial agreements with 31 local banks and two supranational institutions (ICFC and EBRD). We have a presence in Luxembourg with UBI Banca International SA, UBI Management Company SA and UBI Trustee SA and we have branches in Madrid, Antibes, Menton, Nice, Munich and Cracow. We have an advisory office in Vienna and representative offices in Moscow, Shanghai, Hong Kong, Mumbai and Sao Paolo. We are also present in Shanghai with an asset management company.

UBI Banca Popolare di Bergamo	Lombardy (BG, VA, MI, MB, LC, CO) e Rome	UBI Banca Popolare di Ancona	Marches, Umbria, Abruzzo, Campania, Romagna and Rome
UBI Banco di Brescia	Lombardy (BS, MI, LO, CR, MN), Triveneto, Rome and Viterbo	UBI Banca Carime	Calabria, Apulia, Basilicata and Salerno
UBI Banca Popolare Commercio & Industria	Lombardy (MI, PV), Emilia and Rome	UBI Banca di Valle Camonica	Lombardy (BS, SO)
UBI Banca Regionale Europea	Piedmont, Liguria* and France <i>*Also with the Banco di San Giorgio brand name</i>	UBI Banca Private Investment	National network of financial advisors

176

municipalities in which we are the only bank

394 (23.6% of the total) branches in small towns (up to 5,000 inhabitants)

311 (18.6% of the total) branches in regions of Italy which receive development aid from the European Union

2,268 Bancomat ATMs of which **1,109** for partially sighted and non-sighted persons

63,501 POS terminals

296 thousand mobile apps downloaded at the end of the year

1.4 million users of the Qui UBI internet banking service

1.5 million commercial contacts assisted by telephone

Rewarded for quality.



94%
satisfied customers

*Istituto Piepoli 2014 customer
satisfaction survey*

We invest constantly in the highest quality research, with a continuous stream of innovative projects designed to improve products and services, processes and organisational models, with intense staff training activities at all levels.

Thanks to the expertise of our specialist companies and to partnerships with the best international players, our banks can add the following high quality solutions to their banking services: **assets under management, leasing, factoring, banking** and **online trading** and **insurance**.

Asset management is provided by UBI Pramerica, a profitable alliance between our Group and Prudential Financial, a leading American financial institution, active throughout the world. With IWBank, our internet bank, we are a leading player on the professional online trading market present on stock markets throughout the world. For insurance products we have signed distribution agreements with major insurance companies which include Aviva and Cattolica Assicurazioni in the life sector and the Ageas Group and BNP Paribas Cardif in the non-life sector.

Over **120,000 customer interviews per year** to monitor the level of satisfaction and to improve the quality of the service. UBI Banca is judged as a solid, efficient and socially responsible bank, which inspires trust and has good prospects.

2014 MF Innovation Award

UBI Banca wins **first place in the digital financial services category** with the new UBI Pay app for mobile payments and **second place in the non-financial services category** with the UBI World platform for firms that wish to go beyond national borders.



UBI World

Innov@Retail Award

UBI Banca wins the award with the prepaid card **Enjoy Ski**, for the app which makes it a ski pass valid in a number of ski resorts.



2014 OF Miglior prepagata (Best prepaid)

The UBI Banca **Like** card is awarded a prize by the Italian research institute OF Osservatorio Finanziario for the numerous additional and innovative services that it offers, which include contactless technology and the possibility to apply for it online with a remote digital signature, eliminating the need for hardcopy documents and reducing purchasing times by up to 70%.



2014 Diaman Awards

The UBI Pramerica Privilege 4 fund wins a prize awarded by the independent consultants Diaman for **second best fund of funds in the "balanced" category** on the basis of risk-adjusted performance in 2013.



2014 Grands Prix - Fundclass

UBI Pramerica SGR is awarded a prize by the analyst agency Fundclass as the **best Italian asset management company in the "26-40 funds" category** for the best average performance on the basis of their range of products.



2013 Premio Alto Rendimento (high yield prize)

UBI Pramerica Obbligazione Dollari received a prize as the **"Best America Bond Fund"** and UBI Pramerica Obbligazioni Globali Alto Rendimento received a prize as the **"Best International Bond Fund"**. The prize is awarded by Sole 24 Ore on the basis of the results achieved over the last three years and criteria based on the fundamental value of protecting the interests of investors.



2014 CFS Rating - Best over 10 years

UBI Pramerica Euro Corporate, UBI Pramerica Obbligazioni Globali Alto Rendimento and UBI Pramerica Azioni Mercati Emergenti appear among the **best funds "over 10 years"** in the classification made by the independent consultants CSF Ratings.



Over **80,000 of staff training days per year** in the fields of management, ethics and regulations and on technical, professional and operating subjects.

We assist families throughout their lives.



3.3 million
individual customers

69.1%
customers with
us for over 10 years

€ 29.3 billion
loans and mortgage

People and families lie at the heart of our Bank and we offer them a full range of constantly evolving products and services, with a commercial approach designed to build long-lasting relationships based on trust.

We care for all people and families, giving our attention even to the **most disadvantaged groups** and those experiencing hard times, especially in this long and profound crisis that has hit the heart of our country. We were one of the pioneers of **banking inclusion for immigrants**, who account today for 7.3% of our customers and we have always paid great attention to the accessibility of services and especially to adapting internet banking services for use by **people with visual and sensory disabilities**.

We care for every family member with initiatives and products designed to educate and encourage even small children to **save**, to support young people preparing for their future with their **studies**, to offer the stability of a **home** to young couples, to support the **plans** of a growing family and to build an idea of **security and providence** that is common to us all.

UBI Banca adheres to the **European Code of Conduct for Home Mortgages** and observes **the Self Disciplinary Code of Conduct on Advertising**.

Credit for life plans

Flexibility is the main feature of our **mortgages**, designed even for **young couples** working on temporary or “atypical” contracts. This makes the purchase of a first home easier, with the option to defer repayments or restructure the repayment schedule should determined extraordinary events occur. For families experiencing hardship due to the crisis, we have also adhered to sector-wide initiatives to defer repayments on mortgages.

Our unsecured **loans for students** are based on trust and we have adhered to the “**Give them a future**” initiative organised by the Italian Banking Association and the Department of Youth under the Presidency of the Council of Ministers (Cabinet Office).

We take an attitude of responsibility in our assessment of all loans in order to prevent families from entering too heavily into debt. And our first reply, not binding, arrives very fast, within 24 hours.

Savings and investment

As an incentive to save we have created **fund-based savings schemes**, with no commissions, that can be signed-up to even for small amounts. For the youngest we have launched the **Più CLUBINO più premia** scheme, a savings deposit which accumulates points as the balance grows for a catalogue of over 50 prizes divided by age Group.

In order to diversify investments, we also offer our clients the ability to purchase **diamonds**. The stones are guaranteed “**child labour free**” and “**conflict free**”, produced with no exploitation of child labour and no involvement in armed conflicts in observance of the principles of the Global Compact and the Kimberly Process.

We have completely renewed our **financial planning and advisory platform** in order to ensure we always provide high quality service also when making recommendations. We have also increased and enhanced information on customer portfolios and the analytical tools available to account managers.

Solidarity

We are close to families even at times of difficulty. We have adhered to both national and local initiatives, including the “**Loan of Hope**” for access to credit, standing arrangements for **advances on state redundancy benefits and anti-usury loans**. And with Banca Popolare Commercio e Industria we continue to offer pawn credit, one of the most ancient forms of lending, introduced in the 15th century by the Franciscan monks to combat the phenomenon of usury, today the very last resort for access to credit.

For families experiencing hardship and unable to repay mortgages and loans we have independently decided to introduce initiatives to defer repayments or lengthen the repayment schedules which go much further than the provisions of the Italian Banking Association “Solidarity Fund” to which we have adhered.

With our **UBI Community social bonds**, we offer our customers investment instruments which they can use to support social projects that are important for communities, with no reduction in the yields.

€ 1.5 billion
home mortgages of
which € 83 million
mortgages for young
couples

€ 762.5 million
mortgages with
deferred repayments
for families in
difficulty

€ 32 million
for 34 thousand
pawn credit loans

€ 500 thousand
unsecured loans
to 98 students

81 thousand
subscriptions
to fund-based savings
schemes

€ 178 million
funding from
UBI Community
social bonds issued
during the year

€ 15.2 million
assets under
management
by UBI Pramerica
Azionario Etico fund

The **UBI Pramerica Azionario Etico** fund does not invest in arms, pornography, alcohol, tobacco or other products harmful to health, the nuclear industry and research into GMOs and it donates 5% of the annual commissions to nonprofit organisations.

We support the growth of businesses.



328 thousand
business customers

42.7%
customers with
us for over 10 years

€ 55.6 billion
loans

Consistent with our mission and our nature as a local community bank, we are committed to supporting the growth of small and medium-sized businesses, leveraging their strengths and assisting them even in times of temporary difficulty.

We study the dynamics of various sectors and give priority to those which represent excellence in Italian businesses, with a capacity for innovation and good growth prospects, both in Italy and on international markets. One sector that really stands out is that of **food and agriculture**, a cornerstone of the Italian economy with huge opportunities for development in terms of employment, environmental sustainability and the export of high quality local products. Our "**Farm&Food**" project is dedicated to this sector.



At the same time we are particularly attentive in assessing involvement in sectors and transactions which could present reputational risks.

We have had an **armaments policy** in place since 2007 which prohibits relationships with firms involved in arms of mass destruction and this is regulated with stringent restrictions on transactions involving trade in international arms, based on the destination country. The document is published on the Group website.

To fight the crisis

We feel a responsibility to make a concrete response to strong concerns that businesses have over credit rationing for the real economy. Therefore in addition to our financial resources we also bring in to play our ability to access subsidised credit and risk mitigation tools offered at both national and EU level.

We have adhered to agreements signed by the Italian Banking Association with Confindustria (confederation of industry) and the Ministry of Economic Development to provide financing to businesses (e.g. **Italy Investment Projects** for SME Investments and **Public Administration Credit** to release cash owed by Public Administrations) and to defer repayments or lengthen payment schedules for existing loans. We use the **guarantee funds** of guarantee bodies and of **Law No. 662** to finance SMEs and we have standing agreements with the European Central Bank (TLTROs), the **European Investment Bank** and the **Cassa Depositi e Prestiti** to create loan pools.

We use EIB funding to create a special loan pool to finance a **“Jobs for Youth” programme** to create jobs for young people.

It is very important for Italian firms to find new markets for their products and services and as a consequence, with our **UBI World Project**, we have developed an integrated financial, banking and advisory services platform for SMEs that wish to “go international”. Our **Farm&Food International** Programme is designed to increase the visibility of the “Made in Italy” brand abroad and to facilitate the entrance of Italian agricultural and food companies onto new markets.



New business ideas

We support the implementation and development of new business ideas with both our dedicated **SME Development** and **Start-up** lines of financing and also by taking part in microcredit projects and initiatives organised at local level by local authorities and nonprofit organisations in the community.

At the end of 2014 we started operations under the new programmes, **“Let’s invest in women”**, **“Women in start-ups”** and **“Women in the recovery”**, launched by an agreement between the Government and the Italian Banking Association to support business women and self-employed women.

Responsibility

We also promote responsible conduct amongst our suppliers who at times are also our customers. We require them to observe principles consistent with our code of ethics and with our environmental policy and also to comply with legislation and regulations governing pensions and insurance, health and safety at the work place and the protection of workers’ rights.

On our part we have adhered to the **“Italian Responsible Payments Code”** promoted by Assolombarda (Lombard employers’ association), which commits us to paying our suppliers promptly and to shortening payment times for smaller firms in particular.



€ 1.8 billion disbursed in the form of over 7,400 loans under sector-wide and subsidised government fund initiatives of which **€ 22 million** under the Jobs for Youth programme

€ 1.4 billion disbursed in the form of over 17,300 loans through guarantee bodies and guarantee funds of which **€ 6 million** in the form of 250 anti-usury transactions

€ 543 million the value in terms of the principal of over 1,900 repayment deferrals and extensions of repayment schedules on mortgages, loans and leases for firms in difficulty

0.05% financing to the armaments sector

0.14% financing to other controversial sectors (tobacco, alcohol, furs, gambling)

No loans to the nuclear industry

An **internal directive on gambling and betting** establishes that business in this sector must be completely marginal, with extreme rigour employed in assessing loan applications with a particular focus on the seriousness, integrity and honesty of the potential borrowers.

We give a boost to the nonprofit sector.



19 thousand customers

76.9% more than the banking sector the share of loans to the nonprofit out of total loans

UBI  **comunità**

With **UBI Community** we have renewed and reinforced our commitment to serving the nonprofit sector with specialist training programmes for our staff and dedicated and innovative products and services. Today, with **deposits of € 1.7 billion** and **loans of € 808 million**, which give us a **market share of 8.5%** (almost double our share of the market as a whole), we are seen as the bank to go to by the sector.

We were the first to develop **social bonds**, bonds that offer subscribers a market yield and support high social impact projects for local communities, either by the donation by the Bank of a portion of the funding acquired or the creation of a specific loan pool. Since its launch in 2012, we have issued a total of **58 social bonds** and donated a total of **€ 3.1 million**.

In 2014 we began to supplement our assessments of social bond projects with an estimate of their **“social return” (SROI)** and we created the **Enjoy UBI Community Social Edition Card**, that can be customised with the logo of the organisation to whom the Group is donating part of the related funding.

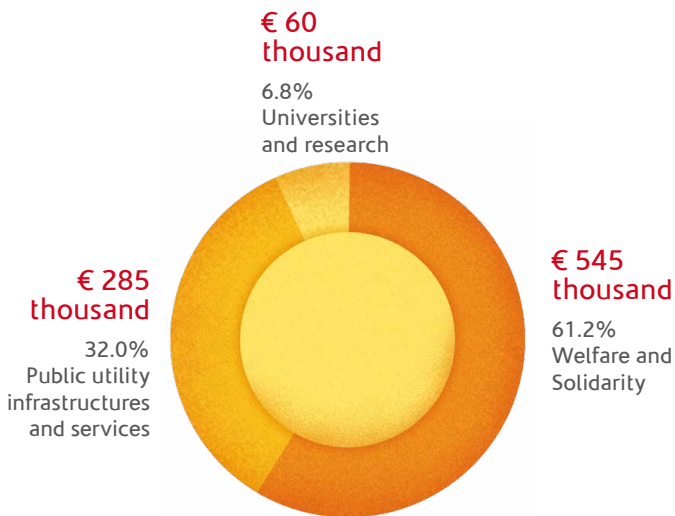
We are members of the **Sodalitas Foundation** and we support the **Sodalitas Social Innovation Prize** for innovation and partnerships between businesses and the nonprofit sector. Each year we donate a **social bond** and an **MHUSE Master’s** scholarship for social enterprise as the prize.



UBI Community Social Bonds

€ 890 thousand

donated in 2014 to 17 social projects



Public utility infrastructures and services

UBI Banca

Intervita Onlus for a specialist emergency service for the medical and psychological treatment of women who are victims of violence.

Federazione Italiana per il Superamento dell'Handicap for a platform that offers highly personalised information to disabled persons.

UBI Banca Popolare di Bergamo

La Solidarietà Cooperativa Sociale for the creation of a medical treatment room and a gymnasium for disadvantaged persons.

Unione Invalidi Civili Bergamaschi for the refurbishment of a property located in the mountains and the construction of two apartments for persons with various types of disability.

UBI Banca di Valle Camonica

Associazione Cancro Primo aiuto Onlus to purchase equipment for cancer patients in the Valtellina and Valchiavenna hospitals.

Welfare and Solidarity

UBI Banca

Region of Lombardy Caritas Delegation for a project to involve young people in educational services and voluntary welfare activities.

Rita Levi Montalcini Foundation Onlus for projects for the employment and socio-economic development of women in Africa.

The Pope John XXIII Community Association for the project "A Meal a Day" for the needy in over 300 towns and cities in Italy.

UBI Banca Popolare di Bergamo

SOS Villaggio dei bambini Morosolo for a project to take in children with problematic family relationships at risk of socio-economic and cultural exclusion.

UBI Banco di Brescia

Fo.B.A.P. - Bresciana Assistenza Psicodisabili Foundation ONLUS for a project to care for autistic children away from home for short periods.

Scuola d'Arti e Mestieri F. Ricchino of Rovato for scholarships for gifted pupils in need of support.

ACTIONAID for action to increase awareness of the right to food and of its value.

IRCCS "Centro San Giovanni di Dio - Fatebenefratelli" of Brescia for a stimulation rehabilitation service (TMS) for persons suffering from Alzheimer's disease.

UBI Banca Popolare Commercio & Industria

Pavia branch No1, for Ayamè to refurbish the Ayamè Hospital in the Ivory Coast.

UBI Banca di Valle Camonica

Giovannina Rizzieri Foundation Onlus for the project "The Garden of Alzheimer's", based on a sensory therapeutic treatment for the elderly suffering from dementia.

Universities and Research

UBI Banca Popolare di Bergamo

The Umberto Veronesi Foundation for a research scholarship in the field of oncology.

Bergamo University for CYFE (Centre for Young and Family Enterprises) research into young and family enterprises.

We worked with the **AICCON** study centre to create the first **National Observatory on Finance and the Third Sector**, which in 2014 published the fourth edition of its findings on social co-operatives and foundations.

We respect the environment.



12.5% less
energy
consumption

45.8% fewer
CO₂ emissions

Sustainability is responsibility. This is the path we have chosen to follow in both our own conduct and in our projects for local communities to protect the environment and for sustainable development. This goes beyond mere respect for regulations, but is for both ourselves and for future generations.

The Group **Energy Manager** and **Mobility Manager**, in co-operation with the **CSR Manager**, are the main protagonists assigned the duty of developing initiatives designed to reduce the direct impacts of the Group's activities on the environment. The primary objectives are the rational and responsible management of resources, the reduction and proper management of waste, the reduction of emissions of harmful substances into the atmosphere and staff education.

All the organisational units in the Group are called upon, each within their own sphere of responsibility, to identify opportunities for improvement. This also applies to what the Bank can do to promote virtuous behaviour among its customers and suppliers, and more generally among all its stakeholders.

Since 2008 UBI Banca has pursued an **environmental Policy** to drive increased respect for the environment in all its activities. Employees are also involved in the implementation of virtuous behaviour with initiatives such as the new **Energy Vademecum**.

Lower environmental impacts by the Bank

With our Energy Management programme we have designed eco-compatible branches and offices to save on energy and reduce emissions of CO₂ and other harmful gases.

We save on energy thanks to new thermal insulation systems, heating and air conditioning systems, low consumption lighting and electronic equipment, remote management of heating and air conditioning systems and the automatic shutdown of personal computers at night.

We save on paper and toner with improved “both sides” printers and ever-increasing digitisation of documents. In 2014 we introduced digital signatures in all branches to make branch operations paperless.

We are reducing emissions of CO₂ and other harmful gases not only with less polluting plant and equipment, but also by purchasing electricity certified as from renewable sources. We make use of video conferences to reduce business travel and we pursue increasingly sustainable mobility policies with less polluting company cars and a travel policy which prioritises the use of collective means of transport. We also produce a small percentage of renewable energy directly with photovoltaic panels installed at the headquarters of Banca Popolare di Ancona, while a new plant has been designed for the headquarters of Banca Carime at Bari.

We are reducing waste, and 99.9% of it is sent for recycling or recovery. This does not include solid urban refuse which is managed by the public waste collection service and for which we are unable to record the quantities.

More virtuous behaviours

We also provide financing with our leasing products for individuals and companies who invest in energy efficiency, in renewable energy and in the most eco-compatible refurbishment and construction.

For individuals, the **Forza Sole (Sun Strength)** products are to finance domestic photovoltaic systems and the **Creditoplà Home Refurbishment** products are to finance the refurbishment of buildings and energy savings upgrades. We have special purpose banking and leasing products for businesses that invest in renewable energy which include in particular the **New Photovoltaic Energy** products for the installation of photovoltaic panels.

We participate in project finance to finance private sector and mixed public-private investments – also for amounts appropriate to small to medium-sized enterprises – for electricity generation from renewable sources, proper waste treatment and public transport infrastructures. The most important projects in 2014 included investments by **Enel Green Power** for a biomass plant and by LaboGest to improve technical services at the **Bologna Ospedale Maggiore** Hospital.

We try to educate our customers to safeguard the environment. As a result of campaigns conducted in recent years, we have over 963 thousand QUI UBI internet banking customers (up by 23.5% on 2013) with approximately 1,340,000 relationships who receive statements and other documents in electronic format. With the increase in the range of products and services that can be purchased online on **the remote selling** platform, together with our customers we will further reduce the number of hardcopy documents that are printed and sent.

99.6%

electricity certified
as from renewable
sources

85.6%

paper certified
without chlorine



71.0%

paper certified
from responsibly
managed forests



2,310 MW

project financed
installed output for
renewable energies
with € 1.1 billion
outstanding financing
at the end of the year

- 19 wind farms
- 92 photovoltaic plants
- 9 plants for other
renewables

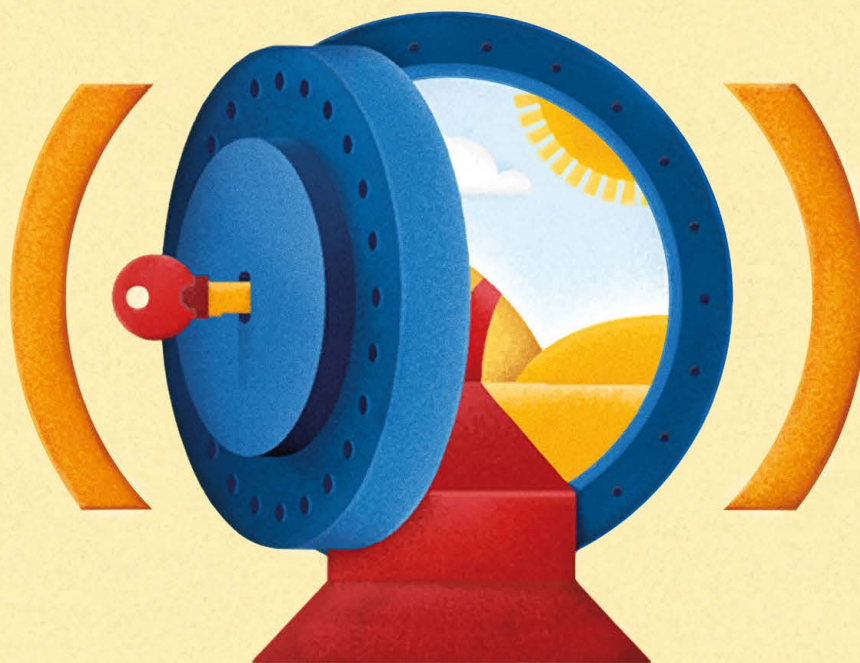
€ 139 million

disbursed in the form
of 82 investments in
renewable energies of
which € 103 million
for 6 project finance
operations

UBI Banca takes an active part in the activities of **ABI Energia** – Competence Center ABI Lab on Energy and the Environment – a training and research centre on energy savings.

ABIe**nergia**

We create value for the community.



€ 2.7 billion
economic value
generated in 2014

To generate income is our first social responsibility, not just for the long-term sustainability of our business, but also because it is the only way that we can contribute to the stability of the banking system, to economic growth and to the well-being of our communities and our country.

We therefore seek greater and greater **efficiency** and **control over costs** through the rationalisation of the Group, the streamlining of organisational units and internal processes and the optimisation of the distribution network and the workforce.

At the same time we are continuing to **innovate with our distribution systems and processes, products and services** – with great efforts towards digital innovation – in order to become more competitive on the market, by adapting rapidly to social change and the evolving needs of our customers.

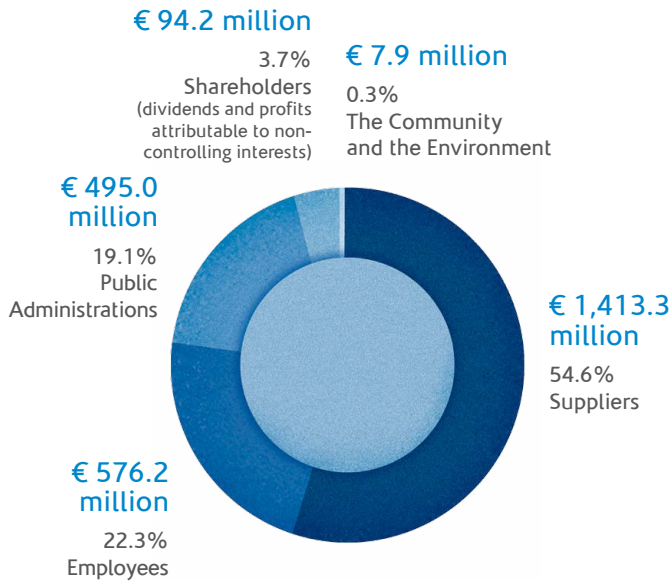
Great attention is always paid in all this to **capital strength** and **risk control**.

UBI Banca is nominated **2014 Bank of the year** in Italy by The Banker (Financial Times Group) for the results it achieved in the reinforcement of its capital strength, lowering its risk profile, cost control and product innovation. It was the only large Italian commercial bank to be awarded **five stars in the Lombard magazine 2014 super index** which considers solidity, efficiency, profitability and asset quality over the last three years.



Economic value distributed to stakeholders

€ 2.6 billion



Registered and unregistered shareholders

Our primary objectives are to remunerate registered and unregistered shareholders with an adequate return and to increase the value of the investment over time, compatibly with market conditions.

To achieve this, while constantly maintaining solid capital strength, we have always paid a dividend even in the most difficult years.

Also, with **UBI Club** we reserve a series of products and concessions exclusively to registered shareholders.



Staff

We invest constantly in the continuous training and professional growth of our staff. In 2014, **UBI Academy** – the Group's corporate university – delivered 609 thousand training hours for an average of 35 **UBI Academy** hours per person.

We pay attention to health and safety at the work place, we promote equal opportunities and reconciliation of work and family time. We offer security for the future with supplementary pension and health and welfare schemes, insurance cover and grants to families for their children's education and for special events.

Suppliers

We generate substantial employment in the community through our procurement of products and services.

We select and periodically assess our suppliers according to criteria of competitiveness and financial and capital strength.

We are committed to managing relationships with suppliers according to criteria of independence, transparency and fairness.

Public administrations

UBI Banca is an important taxpayer for local and central government administrations and it manages treasury services for numerous local authorities and institutions. We have never received any form of aid, except for operations with central banks for financial stability purposes and operations designed to facilitate the transmission of monetary policy.

As part of treasury services, authorities benefit from important contributions to support their social and institutional goals.

The Community and the Environment

We help create a sense of community by working with many local realities active in communities in all areas of society.

We do this through donations and sponsorships for a multitude of nonprofit organisations – Church and non-Church – to implement initiatives and projects that satisfy a wide variety of concrete needs.

For this activity, the articles of association of UBI Banca and the various Group banks require the allocation of a share of the distributable profits which also increase the endowments of the Group's foundations.

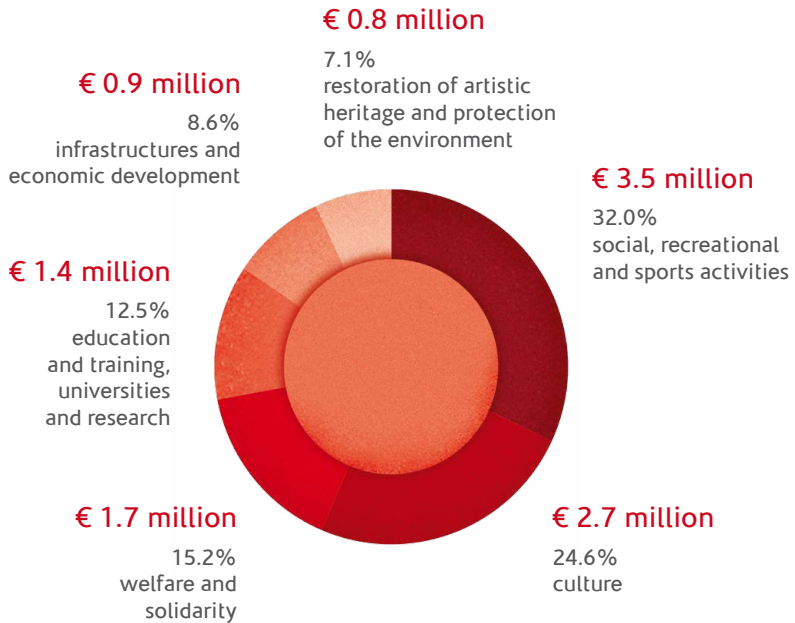
Listening to people's social needs and dialogue with people working "in the front line" constitute the framework within which we develop our intervention which is decided at local level by individual banks and foundations, with support from UBI Banca for the more far-reaching projects. The foundations are fully independent of the Group and are not subject to powers of management, co-ordination and control by UBI Banca.

The Chairman of the Management Board receives the 2014 **AIRC "Believe in Research"** Prize from the President of the Republic awarded to UBI Banca "for having interpreted the values of corporate social responsibility with concrete long-term projects to help the AIRC (Italian Association for Cancer Research), by involving employees and customers and with constant support from management".



Contributions for social initiatives

€ 11 million
paid in 2014



In London UBI Banca sponsored an **exhibition on Giovanni Battista Moroni** at the **Royal Academy of Arts**. An evening was organised for the occasion dedicated

to the Italian economic and financial community.



Banca Popolare di Bergamo takes part in a **Talent Garden** making an area available at the Galleria Santa Marta in Bergamo, for co-working

where young business persons and professionals and IT innovators can exchange ideas and experiences.



UBI Banca presents the **Annual Report on the Global Economy and Italy** edited by the **Einaudi Centre** with a series of meetings in various towns

and cities with the co-ordination of Prof. Mario Deaglio.



Banca Popolare di Bergamo's sports sponsorships include the **Binda Trophy**, a female cycling World Cup trial

running through Valcuvia, Valganna and Luinese.



Supported by the Banco di Brescia, the **Teatro Grande of Brescia** has a rich programme of events with international talents from the world of ballet. Here we see Svetlana Zakharova,

prima ballerina of the Moscow Bolshoi Ballet in the ballet Carmen Suite.



Jesi, the "2014 European city of sport", has won more medals than many other towns

and cities in the world in the history of the Olympics thanks to the **Jesi Fencing Club**, supported, along with numerous other local sports realities, by Banca Popolare di Ancona.



Banca Regionale Europea supports the activities of the **Paralympic Italian Winter Sports Federation**, a reality

where the two worlds of the "able and disabled" are truly two sides of the same sports medal.



Banca Popolare Commercio e Industria is an institutional supporter of the **Poldi Pezzoli Museum**, an institution famous throughout the world and a point of cultural reference in the Milanese metropolis.



Banca Regionale Europea supports the **Circolo dei Lettori of Turin**, a place for the diffusion and creation of culture, which includes meetings on the subject of financial education.



Even the promotion of art can be an opportunity for solidarity. Banca Carime supports the concert activities of the **Magna Grecia Orchestra Association** of Taranto

and the **Barese Music Chamber**, partly by purchasing entrance tickets for disadvantaged persons, especially the disabled and pupils from poor districts accompanied as part of educational projects.



Ragionar Cantando is just one of the initiatives organised by the **Musicultura Association** to promote music

and singing in the Marches Region, supported by Banca Popolare di Ancona.



Banco di Brescia is the main "historical" sponsor of the **Mille Miglia**, a historical re-enactment of

the "most beautiful race in the world", commenced in 1927 and held for thirty years, with the participation of the greatest racing drivers of all time.



Banca Carime organised the convention **“Welcome to the South”** in co-operation with the

Ministry of Education, Universities and Research, offering innovative firms and talented young people the chance to meet and share experiences, projects and ideas as an opportunity for the growth of a business culture in the community.



The **“Golden Roll of Honour”** of the **Piccolo Teatro of Milan** contains the name of the Banca Popolare Commercio e Industria, with whom the Foundation

organises the **Eleonora Duse Prize**, which since 1986 is the only award granted each year to a theatre actress for distinction in the theatre season in one or more plays in Italy or abroad. The price for 2014 was awarded to Sonia Bergamasco.



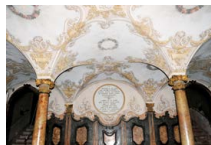
Banca di Valle Camonica contributes to the **Valle Camonica**

Community Fund, managed by the Comunità Bresciana Foundation and used to support initiatives for the social and cultural growth of the valley.



The CAB Foundation-Istituto di Culture Giovanni Folonari together with the **Diocesan Museum of Brescia** organised a cultural convention on a historical and religious subject

entitled **“Manifestations of the sacred and the copper age”**.



The Banca Popolare di Vigevano Foundation supports the architectural

restoration of the chapel in the **Parish Church of San Cristoforo in San Pietro Martire** at Vigevano.



A detail of the wooden altar of the **Parish Church of San Pietro e Paolo** at Daverio (Varese), restored with a donation from the Unione Banche Italiane per Varese Foundation Onlus.



Thanks to support from the Banca Popolare di Bergamo Foundation Onlus, each year the **Bergamo Science Association** holds

an increasingly more important scientific educational event, aimed above all at young people to create a development culture based on knowledge.



The Banca San Paolo Foundation of Brescia donates to the activities of the Diocesan **Caritas Diocesana** for the **Madre**

Eugenia Menni soup kitchen, which provides a hot meal, a welcome and a listening ear to over 1,700 persons of no fixed abode or in conditions of extreme poverty.

€ 4.2 million costs incurred for donations and social sponsorships

€ 3.3 million donations and sponsorships allocated from profits for social purposes

€ 3.5 million social action by the Group's foundations

191 notebooks donated to 45 schools, parishes, nonprofit organisations and public authorities

663 hours of work for financial education for 10 thousand young people and pupils from 121 schools in 15 provinces

Staff are also involved in the Group's welfare activities with **voluntary work** by companies and with the use of an **Enjoy Special Edition** payment card. The POS terminal payment commissions on the card are donated each year to a nonprofit organisation chosen by the staff themselves from among the finalists of the Sodalitas Social Innovation Prize. The choice for 2014 was a **La Strada Co-operative** project entitled **La Bottega di Geppo**, a school workshop to prevent children from dropping out of school.

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The full document, prepared in compliance with level A+ of the GRI G3.1 guidelines and subject to a limited audit by Deloitte & Touche S.p.a., is available in PDF format on the Group website: www.ubibanca.it.

To receive a hardcopy version of the 2014 Social Report you may either use the document request toolbox function on the Group website or alternatively contact:

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